

SENATE BILL 112

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Q6
SB 286/02 - B&T

2003 Regular Session
3lr0113

By: **Chairman, Budget and Taxation Committee (By Request -
Departmental - Natural Resources)**

Introduced and read first time: January 23, 2003

Rules suspended

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Recordation and Transfer Tax - Land Trusts - Exemption**

3 FOR the purpose of exempting the transfer of certain conservation easements and fee
4 simple interests from recordation and State and county transfer taxes under
5 certain circumstances; and generally relating to the transfer of conservation
6 easements and fee simple interests to land trusts.

7 BY adding to
8 Article - Tax - Property
9 Section 12-108(cc) and 13-410
10 Annotated Code of Maryland
11 (2001 Replacement Volume and 2002 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article - Tax - Property
14 Section 13-207(a)
15 Annotated Code of Maryland
16 (2001 Replacement Volume and 2002 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article - Tax - Property**

20 12-108.

21 (CC) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE
22 MEANINGS INDICATED.

23 (II) "LAND TRUST" MEANS A QUALIFIED CONSERVATION
24 ORGANIZATION THAT:

1 1. IS A QUALIFIED ORGANIZATION UNDER § 170(H)(3) OF THE
2 INTERNAL REVENUE CODE AND REGULATIONS ADOPTED UNDER THAT SECTION;
3 AND

4 2. HAS EXECUTED A COOPERATIVE AGREEMENT WITH THE
5 MARYLAND ENVIRONMENTAL TRUST.

6 (III) "CONSERVATION EASEMENT" MEANS ANY INSTRUMENT OF
7 WRITING DESCRIBED IN § 2-118 OF THE REAL PROPERTY ARTICLE.

8 (2) A CONVEYANCE OR ASSIGNMENT OF A CONSERVATION EASEMENT
9 TO BOTH A LAND TRUST AND THE UNITED STATES, THE STATE, AN AGENCY OF THE
10 STATE, OR A POLITICAL SUBDIVISION OF THE STATE IS NOT SUBJECT TO
11 RECORDATION TAX.

12 (3) AN INSTRUMENT OF WRITING CONVEYING A CONSERVATION
13 EASEMENT OR FEE SIMPLE TITLE TO A LAND TRUST IS NOT SUBJECT TO
14 RECORDATION TAX IF THE LAND TRUST FILES A DECLARATION OF INTENT TO
15 CONVEY ITS CONSERVATION EASEMENT OR FEE SIMPLE TITLE TO THE UNITED
16 STATES, THE STATE, AN AGENCY OF THE STATE, OR A POLITICAL SUBDIVISION OF
17 THE STATE WITHIN 18 MONTHS OF THE DATE OF THE DECLARATION.

18 13-207.

19 (a) An instrument of writing is not subject to transfer tax to the same extent
20 that it is not subject to recordation tax under:

21 (1) § 12-108(a) of this article (Transfer to government or public agency);

22 (2) § 12-108(c) of this article (Transfer between relatives);

23 (3) § 12-108(d) of this article (Transfer between spouses);

24 (4) § 12-108(e) of this article (Supplemental instrument);

25 (5) § 12-108(f) of this article (Previously recorded instrument);

26 (6) § 12-108(l) of this article (Judgments);

27 (7) § 12-108(n) of this article (Order of satisfaction);

28 (8) § 12-108(o) of this article (Participation agreement);

29 (9) § 12-108(p) of this article (Transfer of corporate property between
30 related corporations);

31 (10) § 12-108(q) of this article (Corporate or partnership conveyance);

32 (11) § 12-108(r) of this article (Land installment contracts);

33 (12) § 12-108(s) of this article (Options to purchase real property);

1 (13) § 12-108(t) of this article (Deed for prior contract of sale);

2 (14) § 12-108(u) of this article (Leases of 7 years or less);

3 (15) § 12-108(v) of this article (Mergers);

4 (16) § 12-108(w) of this article (Consolidations);

5 (17) § 12-108(x) of this article (Cooperative housing corporations);

6 (18) § 12-108(y) or (bb) of this article (Transfer from predecessor entity or
7 real estate enterprise to limited liability company);

8 (19) § 12-108(z) of this article (Transfer from a Class I Railroad Carrier to
9 its wholly-owned limited liability company); [or]

10 (20) § 12-108(aa) of this article (Transfers involving certain Maryland
11 Stadium Authority affiliates); OR

12 (21) § 12-108(CC) OF THIS ARTICLE (CERTAIN TRANSFERS TO LAND
13 TRUSTS).

14 13-410.

15 (A) AN INSTRUMENT OF WRITING IS NOT SUBJECT TO THE COUNTY TRANSFER
16 TAX TO THE SAME EXTENT THAT IT IS NOT SUBJECT TO THE RECORDATION TAX
17 UNDER § 12-108 (CC) OF THIS ARTICLE.

18 (B) A TRANSFER CONVEYED TO A LAND TRUST AS DEFINED IN § 12-108(CC) OF
19 THIS ARTICLE IS NOT SUBJECT TO THE COUNTY TRANSFER TAX.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 July 1, 2003.